
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.22.2009

Wall Street Journal: "Doubts Slow Financial Regulation Overhaul on Capitol Hill ... The Obama administration's effort to swiftly overhaul supervision of financial markets is running into trouble on Capitol Hill, with some Democrats balking at key elements of the plan."

Wall Street Journal: "CIT to Shrink to Avoid Bankruptcy Court ... CIT Group Inc. on Tuesday mapped out more of its restructuring plan that, if successful, would likely reduce the beleaguered lender to a shadow of its former self."

Wall Street Journal: "Bernanke Says Fed Policies Are Sowing Recovery ... Federal Reserve Chairman Ben Bernanke made a guarded declaration of success Tuesday before a skeptical and sometimes combative audience, saying Fed policies had helped to set the stage for a modest recovery this year."

Wall Street Journal: "Credit Card Disputes Tossed Into Disarray ... Two major arbitration firms are backing away from the business of resolving disputes between customers and their credit-card and cellphone companies, throwing into disarray a controversial system that prevents unhappy consumers from filing lawsuits."

Wall Street Journal: "SEC Halts a Strategy on Merger Disclosures ... Federal securities regulators are taking a shot at a high-profile trading strategy that triggered controversy on Wall Street a few years back."

Wall Street Journal, Editorial: "Bernanke's Assurances ... Federal Reserve Chairman Ben Bernanke took his "exit strategy" on the road yesterday, promising that he knows how to withdraw excess liquidity from the financial system in time to avoid a new inflation or another asset bubble. We're glad to hear it, but then few have doubted that the Fed knows how to exit. The issue is whether he and his fellow Governors have the nerve to do it."

New York Times: "Former Putnam Executive to Lead Freddie Mac ... A former mutual fund executive, Charles Haldeman Jr., will take the helm of Freddie Mac next month, the mortgage finance company said Tuesday."

New York Times: "Fed Aims to Hold Down Interest Rates ... The economy is finally improving, but enough potholes lie ahead that the Federal Reserve needs to keep interest rates close to zero, at least until unemployment begins to come down, the Fed's chairman, Ben S. Bernanke, told Congress on Tuesday."

USA Today: "CIT needs \$7 billion in the next 12 months ... It's going to take more than a \$3 billion loan to erase CIT's woes, according to a regulatory filing released by the company Tuesday."

USA Today: "Senior Democrats call on Treasury to be more open ... Two senior congressional Democrats pointedly called on the Obama administration Tuesday to make the \$700 billion financial bailout program more visible and accountable to taxpayers, with one complaining that the Treasury Department's approach to the fund is, "Don't ask, don't tell."

USA Today: "Some small businesses still struggle to get financing ... The big squeeze on small-business financing continues, despite the overall loosening of U.S. Small Business Administration-backed loans in recent months, two new studies show."

Washington Post: "Bailouts Prompt Bipartisan Outcry ... The government bailout of General Motors and Chrysler was roundly criticized by both Republicans and Democrats on Tuesday as a House subcommittee heard testimony from the chief of the Obama administration's auto task force."

The Economist, Editorial: "On the mend ... IT HAS been a long time since comments on the economy by an official of America's Federal Reserve comments could be described as cheerful. Yet there was no denying the upbeat tone of Ben Bernanke's testimony to Congress on Tuesday July 21st."

Reuters: "U.S. releases new credit rating rules to curb power ... The Treasury Department said on Tuesday it hopes new disclosure and conflict of interest rules will curb the power of credit rating agencies that have been blamed for fueling the recent financial crisis."

Bloomberg: "Bernanke Seeks to Cordon Off Monetary Policy From Lawmakers ... Federal Reserve Chairman Ben S. Bernanke sought to cordon off the central bank's independence on monetary policy from congressional scrutiny as lawmakers challenged its authority on everything from currency swaps to emergency loans."

Politico: "Spencer Bachus to examine banks' AIG losses ... Now, Rep. Spencer Bachus of Alabama, the ranking Republican on the House Financial Services Committee, wants hearings on whether the feds overlooked smaller banks on the hook for losses from their American International Group dealings, in favor of big foreign banks, when it forked over \$70 billion to keep the insurance giant from collapsing."

The Hill: "Autos, banks spend \$20M lobbying ... Auto companies and eight of the country's biggest banks that received tens of billions of dollars in federal bailout money spent more than \$20 million on lobbying Washington lawmakers in the first half of this year."